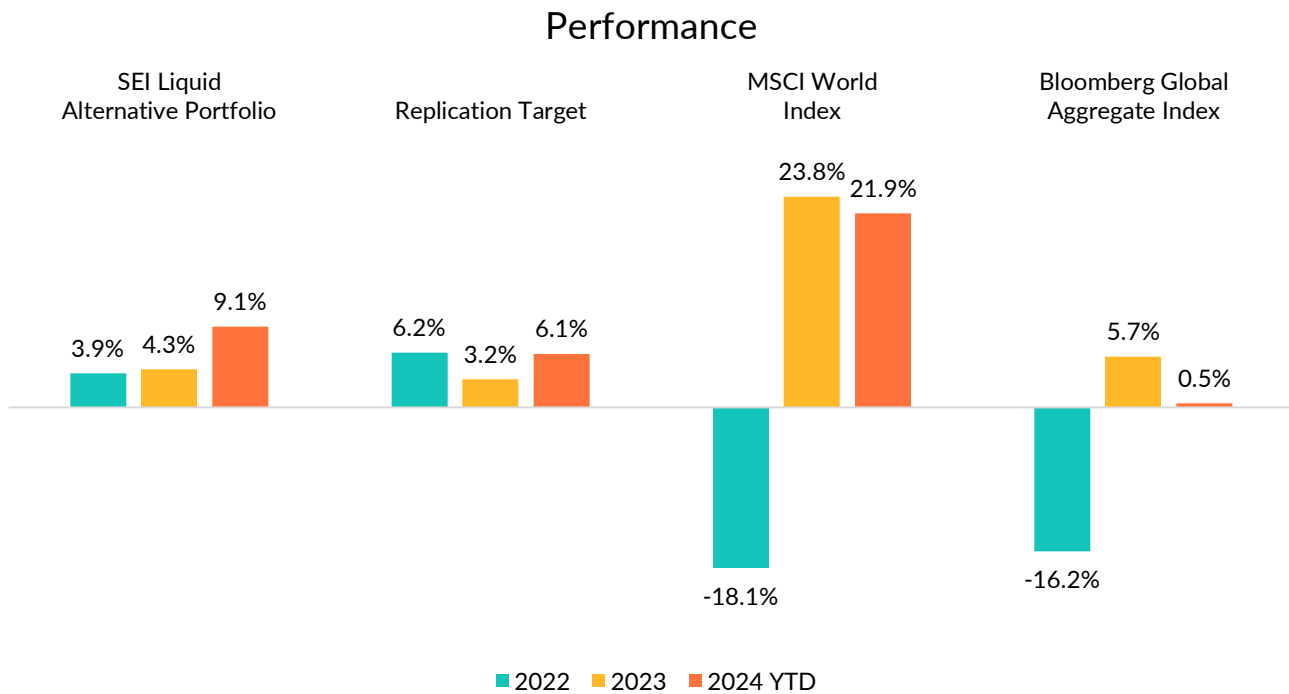




## SEI LIQUID ALTERNATIVE FUND NOVEMBER 2024

Dear Colleagues:

The Portfolio<sup>1</sup> rose **2.7%** in November and is up **9.1%** YTD in 2024, 300 bps ahead of the Target portfolio of seventy leading hedge funds. The MSCI World Index returned 4.6% for the month and is up 21.9% year-to-date, while the Bloomberg Global Aggregate Index increased 0.3% and is up 0.5% this year.



\*Source: DBi and Bloomberg. Data as of November 30<sup>th</sup>, 2024

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There's something important going on in the US. Whether you support Trump or not, he has nominated an eclectic and dynamic group of self-made billionaires – entrepreneurs, venture capitalists, frackers – to key cabinet positions. These people are proverbially dropping everything to parachute into dusty US government offices with a mandate to bring efficiency, energy and, yes, layoffs to a workforce of 2.5 million people. This feels radical: a rethinking of whether unapologetic, unfettered free market capitalism or government direction is best suited to drive economic activity. It seems analogous to a radical shift in thinking during the 1980s, which reverberated throughout the business world and markets over the following decades. We are watching this closely and will offer our thoughts in coming letters.

Not surprisingly, equity markets – especially those in the US – have risen on expectations of stronger economic growth. The bond markets, however, are a bit less sanguine. Will faster growth plus tariffs plus restricted labor supply plus a large structural deficit spark another bout of inflation? Hence, bonds are underperforming cash again this year. On the geopolitical front, the world seems increasingly unstable and potentially volatile – in the past few weeks alone, a frozen government in France, an apparent coup attempt in South Korea, and the collapse of an autocracy in the Middle East.

For this Fund, we take comfort that the target hedge fund managers walk into the office each day and try to chart a path through the storm. Our goal remains the same: to seek to replicate most or all of their collective pre-fee performance -- to tap into their collective expertise and wisdom -- and offer investors in this Fund diversification with liquidity through each market cycle.

The **Strategic Alpha** (Multi-Strategy) replication portfolio rose **2.4%** in November and is up **9.5%** for the year which, based on preliminary reporting, is slightly ahead the performance of the Target portfolio of Equity Long/Short, Relative Value and Event-Driven hedge funds. Gains in equities and the hedge in the US dollar were partially offset by a short in long-dated Treasuries. Since inception, we estimate that the replication portfolio has delivered approximately 90% of pre-fee returns of the Target, with a correlation of around 0.80, and approximately 150 bps per annum of alpha.

The **Tactical Alpha** (Managed Futures) replication portfolio returned **3.1%** in November and is up **8.6%** in 2024, approximately 750 bps ahead of the Target portfolio of managed futures hedge funds. Going into the election the portfolio was well-positioned for the Trump Trade, long dollar and long US stocks which proved to be beneficial and reversed a majority of the October losses. Long interest rate positions were also reduced throughout the month as volatility stemming from debates on rate cuts versus tariffs continues. Since inception, the replication portfolio has doubled the net performance and has generated 290 bps per annum of alpha relative to the Target hedge funds.

Please do not hesitate to reach out with any questions or comments.

All the best,  
The DBi Team

### IMPORTANT DISCLOSURES

This presentation is prepared and circulated for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to invest in any programs ("Program" or "Programs") offered by Dynamic Beta investments, LLC ("DBi") in any jurisdiction. Such an offer may only be made pursuant to the definitive Trading Advisory Agreement of a Program, which will be furnished to qualified investors on a confidential basis upon request.

DBi claims compliance with the Global Investment Performance Standards (GIPS®). The firm's list of composite descriptions is available upon request.

### RISK DISCLOSURE

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Investment in the Programs is speculative and involves a high degree of risk, including the risk that the entire amount invested may be lost. The use of a proprietary technique, model or algorithm does not guarantee any specific or profitable results. There is no assurance that the Programs will be profitable. Past performance is not indicative of future results. Investment returns will fluctuate and the value of an investor's interest in a Program will fluctuate and may be worth more or less than the original cost when redeemed.

### SOURCES

Some of the information presented in this document includes information that has been obtained from third-party sources. DBi is the source and owner of all DBi performance information.

### GLOSSARY OF TERMS

Alpha represents the portion of a fund return not attributable to beta.

Annualized Standard Deviation measures the annualized volatility of an asset over multiple time periods.

Beta is a measure of systematic risk of a fund compared to a market index.

Compounded Annual Return measures the annual rate of return of an asset over multiple time periods.

Maximum Drawdown measures the peak to trough decline of investment performance over a given period of time.

Sharpe Ratio measures the risk-adjusted returns of a fund and is a ratio equal to the annualized excess returns of the fund divided by its annualized standard deviation.

### INDEX DEFINITIONS

The MSCI World Index is an index maintained by MSCI that reflects the performance of large and mid-cap equities across 23 developed markets with net dividends reinvested. (Source Bloomberg. Ticker: M1WO Index)

Additional definitions available upon request.

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<sup>1</sup> Performance of the portfolios managed by DBi, net of estimated fees and expenses. Please consult SEI directly for performance of individual share classes.